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63-6213 E.O.

EYES ONLY

6 August 1963

MEMORANDUM FOR: Acting Director of Central Intelligence

SUBJECT : Transfer of OSI from the Directorate of Intelligence

REFERENCE : Memo for DDCI frm DD/I, dtd 27 July 63,
Subj: Agency Functions and Organization

1. I was very distressed to learn last night that you have decided to proceed immediately with a reorganization of the Agency involving expanded functions for the DD/R component at the expense of the DD/I analytical complex.

2. The two fundamental objections raised in subparagraphs 1.f. and 1.g. of my 27 July 1963 memo have not in any way been answered to my satisfaction in the talks I have had with you and the Executive Director. I had rather anticipated more concern to make sure that the changes now under way do not unnecessarily damage the capabilities of the DD/I complex to proceed along lines previously indicated to me to be the right ones.

3. At this point, I want to put clearly on the record my professional judgment that the decision now taken -

a. complicates the clean assignment of responsibility for specific analytical tasks in the Agency among the several Deputy Directorates;

b. diminishes the capability of the DD/I complex to provide objective, integrated evaluations of foreign developments involving scientific and technical data intimately enmeshed with military, economic and political data; and

c. fuzzes the image of the Agency as concentrating in a non-operational component responsibility for the "correlation and evaluation" of intelligence.

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4. In short, I believe the reorganization now going into effect will - for several reasons I have never had an opportunity to state, in addition to those cited - prove unfortunate for CIA. I cannot, in honesty, fail to record my strong feeling on this matter, since it stems directly from my experience of more than ten years with Agency difficulties in integrating scientific and technical intelligence processes and material with other intelligence techniques and data.

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RAY S. CLINE
Deputy Director
(Intelligence)

cc: Executive Director

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27 July 1963

MEMORANDUM FOR: Deputy Director of Central Intelligence
SUBJECT : Agency Functions and Organization

1. Pursuant to our conversation this morning, I want to record my strongly felt views as follow:

a) A primary function of the CIA is, as the statute creating it says, "to correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the government...."

b) Performing this function under the supervision of the DCI has been the job of the DDI and the one I understood Mr. McCone to have in mind when he asked me to return from overseas to undertake it.

c) The reputation and effectiveness of the CIA are substantially affected by the skill with which this job is done, and especially by the extent to which the President and his national security level advisers believe it is being done, in an utterly impartial, intellectually objective way, free from operational or departmental bias of any kind.

d) In the past, the reputation and effectiveness of the CIA have been damaged by lack of clear understanding that this job was a primary task of the Agency and that this evaluative, or analytical, function is separate from our overseas clandestine operational functions, which strangely are more widely known than the Agency's evaluative responsibility under the statute.

e) The Agency has not yet systematically developed internal administrative procedures whereby it can be freed from the "Day of Pigs" charge that its operational people evaluate their own activities and product, but we are making progress in this direction through cooperation between Dick Helms and myself, as encouraged by the DCI and the DDCI.

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f) The concept of a separate entity in CIA to conduct scientific and technical intelligence collection activities and develop techniques therefor is valid, but becomes equally suspect if the evaluation and analysis of scientific and technical data is made an additional function of such an entity, as often proposed with respect to the subordination of CSI to DDR.

g) Perhaps more important, the subtraction of the scientific and technical analysis function from the DDI area would sorely handicap the vital task of insuring a CIA capability to "keep DIA honest" by providing an objective, integrated attack (i.e., involving consideration of political, psychological, economic, geographic, military, scientific and technological factors) on the key problems of Soviet strategic weapons development and deployment.

2. The DCI's interpretation of Agency Regulations as relieving the DDI of responsibility for and control of the whole estimative element in "correlation and evaluation" on the grounds that it is a Chairman, USIB-Board of Estimates function has somewhat diluted and fuzzed the area of responsibility of the Directorate of Intelligence as now constituted. In my opinion, it would be unfortunate if further action is taken in the same direction by removing from the DDI the vital task of analyzing scientific and technical developments abroad and integrating what is happening in this field with our over-all analysis of related political, military and economic developments. It raises a serious question in my mind as to whether the concept of a Directorate of Intelligence should not be abandoned if this step is taken and the Agency, accordingly, reorganized on different lines. It is quite possible that you and the DCI have in mind a more effective concept than the existing one, but, if so, it should be systematically put in practice and appropriate adjustments made in assignment of responsibilities and resources. Piecemeal administrative dislocations without clear-cut explanations and adjustments of related duties are always damaging to an organization, and I believe this constitutes an additional reason why the transfer of CSI you are contemplating is unwise--above and beyond the arguments set forth in paragraph 1 above.

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3. I should be glad to discuss the problem further with you or Mr. McCone at any time. This is not a personal hobbyhorse of mine, but a view about the Agency which I have held for many years and have defended as being in the Agency's best interest long before and quite apart from my present assignment.



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RAY S. CLINE
Deputy Director
(Intelligence)

cc: DCI

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